

Ship Disposal Acquisition Strategy

Standing Quotations
FY 2005

December 2004

Ship Disposal – 2005 Acquisition Strategy

- Previously used:
 - Program Research & Development Announcements (PRDA)
 - Invitation for Bid (IFB)
 - Request for Proposal (RFP)

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- Open competition without pre-disposition towards qualified foreign or domestic facilities.
- In the manner that provides best value to the Government consistent with FAR.
- Provides consideration to worker safety and the environment.
- Solicits industry proposals appropriate to available funding.

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- Standing Quotations

- Authority

- Commercial Item – FAR 2.101

- “Services offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices”

- FAR Part 12, Acquisition of Commercial Items

- Used for services that meet the definition of a commercial item

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■ Standing Quotations (continued)

■ Authority

- FAR Part 13, Simplified Acquisition Procedures
 - Permits the use of “Standing Quotations”
 - Requires Contracting Officer to comply with public display and synopsis requirements
 - Met by FedBizOpps announcement and posting on the Virtual Office of Acquisition

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- Standing Quotations – Process
 - MARAD issues a Request for Quotation (RFQ)
 - Interested Vendors may submit quotations at any time from the date of issuance of the RFQ for the period of one year
 - Technical Proposals will be evaluated continuously against criteria published in the RFQ& rated as
 - Technically acceptable
 - Unacceptable but susceptible to being made technically acceptable
 - Technically unacceptable

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- Standing Quotations – Process (continued)
 - Technically acceptable proposals are included in the pool of “standing quotations”
 - Initial pricing is notional i.e. price per ton
 - Once specific ships are identified for dismantling, specific price proposals will be obtained from those offerors who are in the pool of standing quotations (i.e. determined to be technically qualified)

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- Standing Quotations – Process (continued)
 - MARAD may solicit price proposals from all, some or one of the offerors in the pool of standing quotations based on
 - Geographic restrictions
 - Facility capacity at the time of requirement/need
 - Specific technical expertise

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■ Standing Quotations

■ Advantages

- Flexible business approach
- Allows offerors to participate at any time during the RFQ stipulated submission period
- Increased responsiveness to urgent requirements due to “prequalified” vendors

■ Disadvantage

- Contracts awarded under FAR Part 13 may not exceed \$5 Million

Ship Disposal – 2005 Acquisition Strategy

- Standing Quotations – Conclusion
 - MARAD will continue to use multiple acquisition strategies based on need
 - The proposed strategy has been approved by the Office of Chief Council
 - MAR-380 will manage the proposed strategy through its Virtual Office of Acquisition
 - Targeted date to accept technical proposals in VOA is January 14, 2005.